

**SULPHUR PARKS AND RECREATION  
SULPHUR, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITORS' REPORTS**

**Year Ended December 31, 2014**

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**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

**Management's Discussion and Analysis**

Within this section of Sulphur Parks and Recreation's (District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2014. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**FINANCIAL HIGHLIGHTS**

- The District's assets exceeded its liabilities by \$56,998,503 (net position) for the fiscal year reported.
- Total revenues of \$7,872,570 exceeded total expenditures of \$5,737,059, which resulted in a current year surplus of \$2,135,511, compared to the prior year surplus of \$1,932,043.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets, of \$47,919,945 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Unrestricted net position of \$9,078,558 represents the portion available to maintain the District's continuing obligations to citizens and creditors.
- The District's governmental funds reported total ending fund balance of \$9,193,966 this year. This compares to the prior year ending fund balance of \$6,824,409, reflecting an increase of \$2,369,557 during the current year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,193,966 or 164% of total general fund expenditures and 117% of total general fund revenues.
- Overall, the District continues to maintain a strong financial position and is continuing to work to improve on this financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Management's Discussion and Analysis (Continued)

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The District also includes in this report additional information to supplement the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the District's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of District infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both government-wide financial statements distinguish governmental activities of the District that are principally supported by property taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include principally general government and recreation.

The government-wide financial statements are presented on pages 16 and 17 of this report.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Management's Discussion and Analysis (Continued)

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The District has one kind of fund:

*Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 20 through 23 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund. These statements and schedules demonstrate compliance with the District's adopted and final revised budget. Required supplemental information can be found on page 40 of this report.

**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

Management's Discussion and Analysis (Continued)

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The District's net position at fiscal year-end is \$56,998,503. The following table provides a summary of the District's net position:

	<u>2014</u>		<u>2013</u>	
<b>Assets:</b>				
Current assets and other assets	\$ 9,494,885	17%	\$ 7,252,931	13%
Capital assets	<u>47,919,945</u>	<u>83</u>	<u>48,038,583</u>	<u>87</u>
Total assets	<u>57,414,830</u>	<u>100%</u>	<u>55,291,514</u>	<u>100%</u>
Deferred outflows of resources	<u>-</u>	<u>100%</u>	<u>-</u>	<u>100%</u>
<b>Liabilities:</b>				
Current liabilities	300,919	72%	428,522	100%
Long-term liabilities	<u>115,408</u>	<u>28</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>416,327</u>	<u>100%</u>	<u>428,522</u>	<u>100%</u>
Deferred inflows of resources	<u>-</u>	<u>100%</u>	<u>-</u>	<u>100%</u>
<b>Net position:</b>				
Net investment in capital assets	47,919,945	84%	48,038,583	88%
Unrestricted	<u>9,078,558</u>	<u>16</u>	<u>6,824,409</u>	<u>12</u>
Total net position	<u>\$ 56,998,503</u>	<u>100%</u>	<u>\$ 54,862,992</u>	<u>100%</u>

The District continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio is 31.6 to 1 (16.9 to 1 for 2013).

The District reported positive balances in net position, which increased by \$2,135,511 (\$1,932,043 increase for 2013). The District's overall financial position improved during the fiscal year 2014.

Note that approximately 84% (88% for 2013) of the governmental activities' net position is tied up in capital. The District uses these capital assets to provide services to its taxpayers.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Management's Discussion and Analysis (Continued)

The following table provides a summary of the District's changes in net position:

	<u>2014</u>		<u>2013</u>	
Revenues:				
Program:				
Charges for services/fines	\$ 2,228,194	28%	\$ 2,059,927	28%
Operating grants	-	-	-	-
General:				
Property taxes	5,539,752	71	5,155,287	71
Other taxes	75,628	1	75,755	1
Interest	11,906	-	12,598	-
Other	<u>17,090</u>	-	<u>17,928</u>	-
Total Revenues	<u>7,872,570</u>	<u>100%</u>	<u>7,321,495</u>	<u>100%</u>
Program expenses:				
General and administrative	1,504,823	26%	1,265,361	24%
Recreation	1,627,432	28	2,225,613	41
Aquatic center	1,782,356	32	1,061,975	20
Golf course	719,017	13	737,069	13
Grill	64,766	1	62,270	2
Swimming pools	20,174	-	15,403	-
Tennis	18,491	-	18,588	-
Interest	<u>-</u>	-	<u>3,173</u>	-
Total Expenses	<u>5,737,059</u>	<u>100%</u>	<u>5,389,452</u>	<u>100%</u>
Change in net position	2,135,511		1,932,043	
Beginning net position	<u>54,862,992</u>		<u>52,930,949</u>	
Ending net position	<u>\$ 56,998,503</u>		<u>\$ 54,862,992</u>	

**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

Management's Discussion and Analysis (Continued)

**GOVERNMENTAL REVENUES**

The District is heavily reliant on property taxes to support governmental operations. Property taxes provided 71% (71% for 2013) of the District's total revenues. Because of the District's healthy financial position, we have been able to earn \$11,906 in interest earnings to support governmental activities. Also note that program revenues cover only 28% (28% for 2013) of governmental operating expenses. This means that the government's taxpayers and the District's other general revenues fund 72% (72% for 2013) of the governmental activities. As a result, the general economy and the local businesses have a major impact on the District's revenue streams.

**GOVERNMENTAL FUNCTIONAL EXPENSES**

Recreation services comprise 29% (41% for 2013) of the District's total expenses and golf course expenses are 13% (14% for 2013) of total District expenses. The Aquatic Center comprised 32% (20% for 2013) of the total expenses.

This table presents the cost of each of the District's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the District's taxpayers by each of these functions.

Governmental Activities

	<u>2014</u>		<u>2013</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General and administrative	\$ 1,504,823	\$ 1,504,823	\$ 1,265,361	\$ 1,265,361
Recreation	1,627,432	1,542,043	2,225,613	2,139,743
Aquatic Center	1,782,356	112,330	1,061,975	(411,302)
Golf course	719,017	290,605	737,069	284,297
Grill	64,766	21,813	62,270	16,538
Swimming pool	20,174	20,174	15,403	15,403
Tennis	18,491	17,077	18,588	16,312
Interest on long-term debt	<u>-</u>	<u>-</u>	<u>3,173</u>	<u>3,173</u>
Total	<u>\$ 5,737,059</u>	<u>\$ 3,508,865</u>	<u>\$ 5,389,452</u>	<u>\$ 3,329,525</u>



**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

**Management's Discussion and Analysis (Continued)**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**Governmental Funds**

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$9,193,966 (\$6,824,409 for 2013). Of this year-end total, \$9,193,966 is unassigned indicating availability for continuing District service requirements.

The total ending fund balances of governmental funds show an increase of \$2,369,557 (a decrease of \$2,149,242 for 2013).

**MAJOR GOVERNMENTAL FUNDS**

The General Fund is the District's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$2,369,557. In fiscal year 2013, the fund balance decreased by \$652,928.

The revenues show an increase of \$526,102 or 7% over the prior year, primarily due to increases in property tax and aquatic center revenues. The expenditures side shows a decrease of \$249,383 or 4% from the prior year. This decrease related primarily to less capital assets purchased in 2014 as compared to 2013.

The General Fund's ending fund balance is considered very adequate, representing the equivalent of 167% of annual expenditures.

**BUDGETARY HIGHLIGHTS**

The General Fund - The revenue side of the original budget for the General Fund was increased by \$552,000 or 9% this year over last year. The primary change in the general fund's revenue budget relates to anticipated increases in Ad valorem tax and aquatic center revenues.

The expenditure side of the original budget for the general fund was decreased by \$2,218,610 or 25% this year from last year, mainly due to capital outlay expenditures.

The revenue budget was amended once with an decrease of \$30,000, mainly due to golf course revenue.

The actual revenues were more than the final budget by \$1,050,570 or 15% and the actual expenditures were less than the final budget by \$1,270,627 or 19%.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Management's Discussion and Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The District's net investment in capital assets for governmental activities as of December 31, 2014, was \$47,919,945. See Note C for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	<u>2014</u>	<u>2013</u>
Non-depreciable asset:		
Land	\$ 22,997,197	\$ 22,997,197
Construction in progress	<u>232,549</u>	<u>3,007,752</u>
Total non-depreciable	<u>\$ 23,229,746</u>	<u>\$ 26,004,949</u>
Depreciable assets:		
Buildings	\$ 13,836,112	\$ 13,560,096
Furniture & fixtures	119,523	91,643
Transportation equipment	266,613	259,586
Equipment	3,278,230	3,431,513
Infrastructures	<u>15,573,179</u>	<u>12,582,105</u>
Total depreciable assets	33,073,657	29,924,943
Less accumulated depreciation	<u>8,383,458</u>	<u>7,891,309</u>
Book value-depreciable assets	<u>\$ 24,690,199</u>	<u>\$ 22,033,634</u>
Percentage depreciated	<u>25%</u>	<u>26%</u>
Book value-all assets	<u>\$ 47,919,945</u>	<u>\$ 48,038,583</u>

At December 31, 2014, the depreciable capital assets for governmental activities were 25% depreciated. This compares less than the December 31, 2013 percentage. This comparison indicates that the District replaced its assets at a higher rate than they are depreciating.

The major additions are:

- Water Park Lazy River Project
- Water Park Concession and Restroom Addition
- New Yellow Slide
- McMurry Fields 40/41 and 37 Bleacher Project

**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

**Management's Discussion and Analysis (Continued)**

**ECONOMIC CONDITIONS AFFECTING THE DISTRICT**

Since the primary revenue stream for the District is property taxes, the District's property tax revenues are subject to changes in the economy.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the District's Director Norman Farr, 933 West Parish Road, Sulphur, LA 70663.



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## INDEPENDENT AUDITORS' REPORT

May 15, 2015

Board of Commissioners  
Sulphur Parks and Recreation  
Sulphur, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Sulphur Parks and Recreation, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Sulphur Parks and Recreation's financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Sulphur Parks and Recreation as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

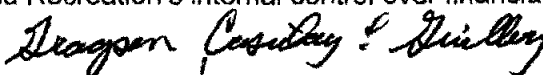
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 37, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sulphur Parks and Recreation's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2015, on our consideration of Sulphur Parks and Recreation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sulphur Parks and Recreation's internal control over financial reporting and compliance.



GRAGSON, CASIDAY & GUILLORY, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

## BASIC FINANCIAL STATEMENTS

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Statement of Net Position

December 31, 2014

ASSETS	
Cash	\$ 3,869,747
Receivables	5,606,141
Inventory	18,997
Capital assets:	
Land	22,997,197
Capital assets, net	<u>24,922,748</u>
Total assets	<u>57,414,830</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>-</u>
LIABILITIES	
Accounts and other accrued payables	300,919
Long-term liabilities	
Net OPEB obligation	<u>115,408</u>
Total liabilities	<u>416,327</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>-</u>
NET POSITION	
Net investment in capital assets	47,919,945
Net position - unrestricted	<u>9,078,558</u>
	<u>\$ 56,998,503</u>

The accompanying notes are an integral part of the basic financial statements.



SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Statement of Activities

Year Ended December 31, 2014

Activities	Expenses	Program Revenues		Net Revenues (Expenses) and Changes in Net Position
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General and administrative	\$ 1,504,823	\$ -	\$ -	\$ (1,504,823)
Recreation	1,627,432	85,389	-	(1,542,043)
Aquatic center	1,782,356	1,670,026	-	(112,330)
Golf course	719,017	428,412	-	(290,605)
Grill	64,766	42,953	-	(21,813)
Swimming pools	20,174	-	-	(20,174)
Tennis	18,491	1,414	-	(17,077)
Total Governmental Activities	<u>\$ 5,737,059</u>	<u>\$ 2,228,194</u>	<u>\$ -</u>	(3,508,865)
General Revenues:				
Taxes -				
Property taxes, levied for general purposes				5,539,752
State revenue sharing				75,628
Interest				11,906
Miscellaneous				17,090
Total general revenues				<u>5,644,376</u>
Change in net position				<u>2,135,511</u>
Net position- Beginning				<u>54,862,992</u>
Net position - Ending				<u>\$ 56,998,503</u>

The accompanying notes are an integral part of the basic financial statements.

## FUND FINANCIAL STATEMENTS

## FUND DESCRIPTIONS

### General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Balance Sheet - Governmental Funds

December 31, 2014

	2014	2013
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,869,747	\$ 1,902,863
Receivables:		
Ad valorem tax, net	5,546,922	5,266,073
State revenue sharing	50,419	50,504
Other	8,800	12,452
Inventory, at cost	18,997	21,039
Total Assets	<u>9,494,885</u>	<u>7,252,931</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 9,494,885</u>	<u>\$ 7,252,931</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 69,797	\$ 48,030
Accrued liabilities	231,122	380,492
Total Liabilities	<u>300,919</u>	<u>428,522</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>		
Unassigned	9,193,966	6,824,409
Total Fund Balances	<u>9,193,966</u>	<u>6,824,409</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 9,494,885</u>	<u>\$ 7,252,931</u>

The accompanying notes are an integral part of the basic financial statements.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Reconciliation of the Balance Sheet-Governmental Funds to the  
Statement of Net Position

December 31, 2014

Total fund balance for governmental fund at December 31, 2014		\$ 9,193,966
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 22,997,197	
Capital assets, net of \$8,383,458 accumulated depreciation	<u>24,922,748</u>	47,919,945
Long-term obligations which are not included as a liability in the governmental fund type balance sheet:		
Net OPEB obligation		<u>(115,408)</u>
Total net position of governmental activities at December 31, 2014		<u>\$ 56,998,503</u>

The accompanying notes are an integral part of the basic financial statements.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Governmental Funds

Year Ended December 31, 2014

	2014	2013
<b>REVENUES</b>		
Ad valorem tax, net	\$ 5,539,752	\$ 5,155,287
State revenue sharing	75,628	75,755
Recreation center concessions	85,389	85,870
Aquatic center	1,670,026	1,473,277
Golf course	428,412	452,772
Grill	42,953	45,732
Tennis	1,414	2,276
Interest	11,906	12,598
Miscellaneous	17,090	17,928
Total Revenues	<u>7,872,570</u>	<u>7,321,495</u>
<b>EXPENDITURES</b>		
Current operating:		
Recreation	2,266,370	5,109,990
Aquatic center	1,175,936	1,082,343
Golf course	714,485	699,343
Grill	63,983	63,499
Swimming pools	20,174	15,403
Tennis	18,491	18,588
General and administration	1,243,574	1,150,624
Debt Service		
Principal	-	1,305,000
Interest	-	25,947
Total Expenditures	<u>5,503,013</u>	<u>9,470,737</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,369,557	(2,149,242)
<b>FUND BALANCE - BEGINNING</b>	<u>6,824,409</u>	<u>8,973,651</u>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 9,193,966</u></u>	<u><u>\$ 6,824,409</u></u>

The accompanying notes are an integral part of the basic financial statements.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance-Governmental Funds to the Statement of Activities

Year Ended December 31, 2014

Total net changes in fund balance at December 31, 2014 per Statement of Revenues, Expenditures and Changes in Fund Balance			\$ 2,369,557
The change in net position reported for governmental activities in the statement of activities different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 833,576		
Depreciation expense for the year ended December 31, 2014	<u>(952,214)</u>	(118,638)	
In the Statement of Activities, post employment benefits (OPEB) are measured by the amounts incurred during the year. In the governmental funds, however, edpenditures for this item are measured by the amount of financial resources used (essentially the amounts actually paid).			<u>(115,408)</u>
Total changes in net position at December 31, 2014 per Statement of Activities			<u>\$ 2,135,511</u>

The accompanying notes are an integral part of the basic financial statements.

**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Sulphur Parks and Recreation was created by the Calcasieu Parish Police Jury as authorized by Act 82 of 1948. The District is governed by a board of five commissioners who are appointed by the Calcasieu Parish Police Jury. The District establishes regulations governing the parks, playgrounds and community centers and provides administration, management, maintenance and operations of the facilities.

**1. Reporting Entity**

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the Sulphur Parks and Recreation includes all funds, account groups, et cetera, that are within the oversight responsibility of the Sulphur Parks and Recreation.

As the governing authority, for reporting purposes, the Calcasieu Parish Police Jury is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Calcasieu Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
  - a. The ability of the Calcasieu Parish Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Calcasieu Parish Police Jury.
2. Organizations for which the Calcasieu Parish Police Jury does not appoint a voting majority but are fiscally dependent on the Calcasieu Parish Police Jury.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.



**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

**Notes to Financial Statements**

December 31, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Based upon the application of these criteria, Sulphur Parks and Recreation is a component unit of the Calcasieu Parish Police Jury's reporting entity.

**2. Basis of Presentation**

The accompanying basic financial statements of Sulphur Parks and Recreation have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

**Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements**

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The District reports the following major fund:

The General Fund is the primary operating fund of the District. It accounts for all financial resources.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

**Notes to Financial Statements**

December 31, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Governmental fund financial statements are reported using the current financial resources management focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

**4. Cash**

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2014, the District has \$3,704,388 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$3,204,388 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

**5. Budgets**

A budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The proposed budget is presented to the government's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated.

The budget was amended once during the year.

6. Inventory

Inventory is valued at cost, which approximates market, and is determined using the FIFO method. Inventory consists of golf equipment and concessions held for resale.

7. Accounts Receivable

Sulphur Parks and Recreation utilizes the allowance method to recognize doubtful accounts for ad valorem taxes. The allowance for doubtful accounts at December 31, 2014 was \$0.

Uncollectible amounts due for other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

8. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and infrastructures	20-40 years
Furniture and fixtures	5-7 years
Equipment	5-7 years
Transportation equipment	5 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Compensated Absences

Vacation Employees may carry forward only a maximum of forty (40) hours of vacation past December 31<sup>st</sup> of any given year. Those hours in excess of forty (40) hours will be converted into sick leave. Employees may request monetary compensation for unused vacation up to forty (40) hours. The request must be made in writing no later than December 15<sup>th</sup> and compensation will be at the employee's regular hourly rate.

Sick leave The extent permitted by law, employees hired prior to January 1, 2007, at the time of retirement from Sulphur Parks and Recreation through the Parochial Retirement System shall be able to convert any unused accumulated sick leave to obtain additional benefits from said retirement system. Employees hired on or after January 1, 2007, who has at least twenty (20) years of service with Sulphur Parks and Recreation, shall be paid for accrued unused sick leave at the time of regular retirement up to a maximum of four hundred eighty (480) hours. No unused sick leave will be transferable to the Parochial Retirement System for these employees.

Each full time employee with less than two years of service is eligible for five (5) days of sick leave. Each full time employee with two or more years of service is eligible for eighteen (18) days of sick leave. Employees may accumulate up to 480 hours of sick leave. Any sick leave above the 480 hours will be accumulated as retirement time and may not at any time be converted to sick leave. Upon retirement from SPAR's employ, accumulated retirement time will be added to actual time worked, thereby increasing the employee's retirement benefits.

At December 31, 2014, the district did not have an accrual for compensated absences.

10. Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

**Notes to Financial Statements**

December 31, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

- c. Unrestricted net position— All other net position that does not meet the definition of "restricted" or "net invested in capital assets".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, assigned and unassigned.

- a. Restricted fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on generally outside actions.
- b. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions.
- c. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

**11. Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**12. Revenues, Expenditures, and Expenses**

**Program Revenues**

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District's taxpayers, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The District's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

13. Subsequent Events

Management has evaluated subsequent events through May 15, 2015, the date the financial statements were available to be issued.

14. Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operation.

NOTE B - AD VALOREM TAXES

For the year ended December 31, 2014 taxes were levied on property with taxable assessed valuations as follows:

	<u>Approximate Valuations</u>	<u>Taxes</u>
General corporate purposes	\$ 560,664,179	10.25 mills

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2014 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 22,997,197	\$ -	\$ -	\$ 22,997,197
Buildings	13,560,096	276,016	-	13,836,112
Furniture and Fixtures	91,643	27,880	-	119,523
Transportation Equipment	259,586	44,614	(37,587)	266,613
Equipment	3,431,513	227,165	(380,448)	3,278,230
Infrastructures	12,582,105	3,271,946	(280,872)	15,573,179
Construction In Progress	<u>3,007,752</u>	<u>390,848</u>	<u>(3,166,051)</u>	<u>232,549</u>
Totals at historical cost	55,929,892	4,238,469	(3,864,958)	56,303,403
Less accumulated depreciation for:				
Buildings	2,850,865	335,096	-	3,185,961
Furniture and Fixtures	80,022	4,916	-	84,938
Transportation Equipment	238,355	18,439	(37,587)	219,207
Equipment	2,241,025	212,805	(366,304)	2,087,526
Infrastructures	<u>2,481,042</u>	<u>380,958</u>	<u>(56,174)</u>	<u>2,805,826</u>
Total accumulated depreciation	<u>7,891,309</u>	<u>952,214</u>	<u>(460,065)</u>	<u>8,383,458</u>
Governmental activities capital assets, Net	<u>\$ 48,038,583</u>	<u>\$ 3,286,255</u>	<u>\$ (3,404,893)</u>	<u>\$ 47,919,945</u>

Depreciation expense was charged to governmental activities as follows:

General and administrative	\$ 158,620
Aquatic center	401,151
Recreation	308,265
Golf course	83,395
Grill	<u>783</u>
Total	<u>\$ 952,214</u>



SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

NOTE C - CAPITAL ASSETS - CONTINUED

The construction in progress at December 31, 2014 consisted of the following:

<u>Project</u>	<u>Costs Through December 31, 2014</u>	<u>Estimated Completion Date</u>	<u>Estimated Remaining Costs to Complete</u>
Carlyss Football Field Lights	\$ 111,000	Mid 2015	\$ 4,000
Historic Sulphur Mines Home	12,780	April 2016	137,200
New Slide	3,936	August 2015	1,846,100
Aerobic/Exercise Building Expansion	40,000	December 2015	1,610,000
Carlyss Parking Lot Expansion	16,063	June 2015	9,000
Carlyss Bleacher/Dugout Canopies	48,770	June 2015	11,200
	<u>\$ 232,549</u>		<u>\$ 3,617,500</u>

NOTE D - RETIREMENT COMMITMENTS

Full-time employees of the district are members of the Parochial Employees' Retirement System of Louisiana, a multi-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Eligible employees of the district were members of Plan A during 2014.

Under Plan A, members with 10 years of creditable service may retire at age sixty; members with 25 years of service may retire at age fifty-five; members with 30 years of service may retire regardless of age. The retirement allowance is equal to three percent of the member's final average compensation (defined as the average of the highest consecutive 36 months) multiplied by his years of creditable service. However, any employee who was a member of the supplemental plan only prior to the revision date has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a member's final salary or the final compensation.

Contributions to the System include 1/4 of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries, 2% under Plan B and 9.5% under Plan A, to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contributions for 2014 were 16.00% of covered employees' salaries under Plan A.

**SULPHUR PARKS AND RECREATION**  
Sulphur, Louisiana

**Notes to Financial Statements**

**December 31, 2014**

**NOTE D - RETIREMENT COMMITMENTS - CONTINUED**

The payroll for the District employees covered by the system for the year ended December 31, 2014 was \$1,312,498; the District's total payroll was \$2,124,398. The District contributed \$210,000 to the system during the year.

**NOTE E - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Suits have been filed against the District as a result of falls and injuries by spectators. The suits are in stages of discovery. The cases will be vigorously defended and unfavorable outcomes are not expected.

**NOTE F - DEFERRED COMPENSATION PLAN**

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full time employees which have been employed by the District for 12 consecutive months, permits them to defer a portion of their salaries until future years. The District will match sixty-seven percent (67%) of the employee's contribution to a maximum of six percent (6%) of the employee's salary, not to include compensatory time or expense reimbursement. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the District (without being restricted to the provisions of benefits under the plan), subject only to the claims of the District's general creditors. Participants' rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred account for each participant.

In management's opinion, the District has no liability for losses under the plan. However, the District does have the duty of due care that would be required of an ordinary prudent investor. The District believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

**NOTE G – BOARD COMMISSIONER PER DIEM**

There is no per diem paid to Board Commissioners.

**NOTE H – POST EMPLOYMENT BENEFITS**

Plan Description The Sulphur Parks and Recreation's medical benefits are provided through a comprehensive medical plan under the Calcasieu Parish Police Jury's plan and are made available to employees upon actual retirement. The District will finance the postemployment benefits on a "pay-as-you-go" basis. Accordingly, a liability is recognized in the financial statements for the actuarial determined amount of postemployment benefits that are associated with the normal costs of benefits attributable to service in the current year as well as an amortization of any unfunded actuarial accrued liability for costs of benefits associated with prior years of employment.

In addition to the option to participate in the group health, dental and life plans during employment, at retirement, employees who have twenty (20) years of cumulative service will be eligible for certain retiree benefits if hired after January 1, 2007. Employees hired prior to January 1, 2007, must have ten (10) years of cumulative service to be eligible for any retiree benefits.

Contribution Rates Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

The contribution requirements of the retirees and the participating employers are established in the annual operating budget and may be amended in subsequent years with the approval of management. As stated previously, the required contribution is based on projected "pay-as-you-go" financing requirements. There is no retiree contribution to the OPEB plan other than the retiree share of insurance premiums paid monthly which for 2014 consisted of \$440 per month if under age 65, \$340 per month if subjected to Medicare Supplement Part A, or \$238 per month if subjected to Medicare Supplements Parts A & B.

Funding Policy Until 2009, the Sulphur Parks and Recreation District recognized the cost of providing post-employment medical benefits (the Sulphur Parks and Recreation's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014, the Sulphur Parks and Recreation's portion of health care funding cost for retired employees totaled \$10,006.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

NOTE H – POST EMPLOYMENT BENEFITS – CONTINUED

Effective with the year ended December 31, 2009, the Sulphur Parks and Recreation District implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). This statement has been implemented prospectively. Using this method, the beginning OPEB liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Annual Required Contribution The Sulphur Parks and Recreation's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits.

Net Post-employment Benefit Obligation The table below shows the Sulphur Parks and Recreation's Net Other Post-employment Benefit (OPEB) Obligation for the fiscal year.

	<u>Medical</u>
Annual required contribution	\$ 40,908
Interest on Net OPEB Obligation	2,709
ARC Adjustment	<u>14,064</u>
Annual OPEB Cost	57,681
Contributions made	(10,006)
Current year retiree premium	<u>-</u>
Increase in Net OPEB Obligation	47,675
Beginning Net OPEB Obligation	<u>67,733</u>
Ending Net OPEB Obligation	<u>\$ 115,408</u>

The following table shows the Sulphur Parks and Recreation's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability:

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
Medical	December 31, 2014	\$ 57,681	17.35%	\$ 115,408

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

NOTE H – POST EMPLOYMENT BENEFITS – CONTINUED

Funded Status and Funding Progress In the fiscal year ended December 31, 2014, the Sulphur Parks and Recreation made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. Based on the actuarial valuation, the Actuarial Accrued Liability (AAL) at the end of the year ended December 31, 2014 was \$115,408, which is defined as the portion, as determined by a particular actuarial cost method of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost.

	<u>Medical</u>
Actuarial Accrued Liability (AAL)	\$ 115,408
Actuarial Value of Plan Assets	-
Unfunded Act. Accrued Liability (UAAL)	<u>\$ 115,408</u>
Funded Ratio (Act. Val. Assets/AAL)	.00%
Covered Payroll (active Plan members)	\$2,124,398
UAAL as a percentage of covered payroll	5.4%

Actuarial Methods and Assumptions Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits cost between the employer and the plan members. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with the perspective, the actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The projected unit credit actuarial cost method was used for the January 1, 2008, January 1, 2010, January 1, 2012 and January 1, 2014 actuarial valuations. Because the government currently finances OPEB using a "pay-as-you-go" approach, the discount rate is based on the historical and future investment yields that are expected to be used in financing the payment of benefits. The actuarial assumptions for all four valuations included a 4% investment rate of return, compounded annually. Life expectancies for the 2014 actuarial valuation report were based on the RP 2000 Male and Female Tables which is consistent with the 2008, 2010 and 2012 valuation reports. Turnover rates for both valuation reports were based on the District's historical data and modified based on years of employment.

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Notes to Financial Statements

December 31, 2014

**NOTE H – POST EMPLOYMENT BENEFITS – CONTINUED**

For the January 1, 2014 actuarial valuation, claim costs were developed for pre-65 and post-65 retirees' costs. Costs were developed based on the current fully insured equivalency rates with costs adjusted for aging since the underlying premium rates are not community rated. This basis was used for the calculation of the present value of total benefits to be paid for retiree coverage. The 2014 actuarial valuation assumed a healthcare cost inflation rate of 10% decreasing to an ultimate rate of 5% in 2019 and beyond. A 1% inflation factor was utilized each year. The 2014 actuarial valuation also assumes that (1) the member's current marital status and whether spousal coverage is elected will remain unchanged at retirement, (2) female spouses and assumed to be three years younger than male employees and male spouses are assumed to be three years older than female employees, (3) employees electing single coverage as active employees are assumed to continue with single coverage at retirement and employees electing family coverage as active employees are assumed to continue family coverage as retirees and (4) 100% of employees will elect Medicare coverage when they are first eligible. The amortization method for the plan is level dollar with a thirty year open amortization period. The remaining amortization period at January 1, 2014 was twenty-three years.

REQUIRED SUPPLEMENTAL INFORMATION

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Budgetary Comparison Schedule - General Fund

Year Ended December 31, 2014

	Budget			Variance
	Original	Amended	Actual	Favorable (Unfavorable)
<b>REVENUES</b>				
Ad valorem tax	\$ 4,750,000	\$ 4,750,000	\$ 5,539,752	\$ 789,752
State revenue sharing	75,000	75,000	75,628	628
Recreation center concessions	102,000	102,000	85,389	(16,611)
Aquatic center	1,411,000	1,411,000	1,670,026	259,026
Golf course	460,000	430,000	428,412	(1,588)
Grill	40,000	40,000	42,953	2,953
Tennis	2,000	2,000	1,414	(586)
Interest	8,000	8,000	11,906	3,906
Miscellaneous	4,000	4,000	17,090	13,090
Total Revenues	<u>6,852,000</u>	<u>6,822,000</u>	<u>7,872,570</u>	<u>1,050,570</u>
<b>EXPENDITURES</b>				
Current operating:				
Recreation	3,000,840	3,000,840	2,266,370	734,470
Aquatic center	1,268,000	1,268,000	1,175,936	92,064
Golf course	975,700	975,700	714,485	261,215
Grill	29,100	29,100	63,983	(34,883)
Swimming pools	15,000	15,000	20,174	(5,174)
Tennis	16,000	16,000	18,491	(2,491)
General and administration	1,469,000	1,469,000	1,243,574	225,426
Total Expenditures	<u>6,773,640</u>	<u>6,773,640</u>	<u>5,503,013</u>	<u>1,270,627</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>78,360</b>	<b>48,360</b>	<b>2,369,557</b>	<b>2,321,197</b>
<b>FUND BALANCE - BEGINNING</b>	<u>6,824,409</u>	<u>6,824,409</u>	<u>6,824,409</u>	<u>-</u>
<b>FUND BALANCE - ENDING</b>	<u><b>\$ 6,902,769</b></u>	<u><b>\$ 6,872,769</b></u>	<u><b>\$ 9,193,966</b></u>	<u><b>\$ 2,321,197</b></u>



SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

Employee Health Care Plan

December 31, 2014

Schedule of Funding Progress (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2013	\$ -	\$ 67,733	\$ 67,733	0%	\$ 2,059,026	3.3%
December 31, 2014	\$ -	\$ 115,408	\$ 115,408	0%	\$ 2,124,398	5.4%

Note: Information for prior to 2103 was not available.

## OTHER INFORMATION

Sulphur Parks and Recreation

Schedule of Compensation, Benefits and Other Payments  
To Chief Executive Officer

Year Ended December 31, 2014

Chief Executive Officer: Norman Farr, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 102,545
Benefits-insurance	8,402
Benefits-retirement - Parochial	16,670
Benefits-retirement - B457	4,167
Car allowance	-
Vehicle provided by government	1,642
Per diem	-
Reimbursements	-
Travel	-
Conference travel	-
Continuing professional education fees	230
Housing	-
Unvouchered expenses	-
Special meals	-



**GRAGSON, CASIDAY & GUILLORY, L.L.P.**  
CERTIFIED PUBLIC ACCOUNTANTS

W. GEORGE GRAGSON, C.P.A.  
RICHARD W. CASIDAY, C.P.A.  
RAYMOND GUILLORY, JR., C.P.A.  
GRAHAM A. PORTUS, E.A.  
COY T. VINCENT, C.P.A.  
MICHELLE LEE, C.P.A.  
BRADLEY J. CASIDAY, C.P.A., C.V.A.  
JULIA W. PORTUS, C.P.A.  
KATHRYN BLESSINGTON, C.P.A.  
JACKLYN BRANEFF, C.P.A.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

May 15, 2015

Board of Commissioners  
Sulphur Parks and Recreation  
Sulphur, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Sulphur Parks and Recreation, a component unit of the Calcasieu Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Sulphur Parks and Recreation's basic financial statements, and have issued our report thereon dated May 15, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Sulphur Parks and Recreation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sulphur Parks and Recreation's internal control. Accordingly, we do not express an opinion on the effectiveness of Sulphur Parks and Recreation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or, detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Sulphur Parks and Recreation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Gragson, Casiday & Guillory*

SULPHUR PARKS AND RECREATION  
Sulphur, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

Year Ended December 31, 2014

1. Summary of Auditors' Results:

*Financial Statements*

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes    X no
- Control deficiencies identified that are  
not considered to be material weakness(es)? \_\_\_\_\_ yes    X no

Noncompliance material to financial statements  
noted? \_\_\_\_\_ yes    X no

2. Findings Relating to the Financial Statements Which are Required to be Reported in  
Accordance with Generally Accepted Governmental Auditing Standards

None

3. Findings and Questioned Costs for Federal Awards

N/A

4. Prior Year Findings

None